

Document No. 3824  
Voted at Meeting of 7/19/79

Proposal for  
ANALYSIS OF RETAIL IMPACT OF COPLEY PLACE  
BOSTON, MASSACHUSETTS

To  
Boston Redevelopment Authority

July 13, 1979

By  
Larry Smith & Company, Ltd.  
Rockville, Maryland 20850  
Market Analysts, Economists  
and Real Estate Consultants



## THE PROPOSAL

### Background

The development program proposed for Copley Place by the developers (UIDC) has undergone a revision which differs significantly from the program proposed in the Fall of 1978. The proposal is now for possible alternative development programs with some variation in the content of the project. The three programs are generally described by the development schedules attached to this proposal. In the light of this change, the consultant is requested to review and revise the retail impacts considering the two present alternative programs and comment upon significant impacts caused by changes from the Fall 1978 program.

### Scope of Work

In accord with the scope of services requested by the Boston Redevelopment Authority, the consultant is proposing a program which will involve the following scope.

1. Consultation with various appropriate staff as designated by the Authority's Director regarding the work to be performed.
2. Consult with other appropriate parties as mutually deemed necessary.
3. Review available plans, reports, studies, surveys, maps, and other relevant documents related to the issue at hand.

(Note: all projections in the following tasks will be for the years 1983, 1985, 1990, and 1995.)

4. Estimate and project retail sales of Copley Place without the expansion of Hynes Auditorium.
5. Evaluate the impact of other identified proposed retail shopping center developments in the regional market on the sales capture and spin-off of Copley Place.



6. Estimate and project retail sales of Back Bay by major store types (in accord with data available from the Census of Retail Trade) without Copley Place.
7. Estimate and project retail sales of Back Bay by major store types as above with Copley Place.
8. Estimate retail sales spin-off effect of Copley Place on Back Bay by origin of effect and the impact of retail sales.
9. Analyze the impact which Copley Place will have on South End retail development, identifying the most likely location and type of such development.
10. Estimate and project in consultation with the BRA the new daily population at the project including:
  - A. hotel employees and guests
  - B. office employees and visitors
  - C. housing residents and guests
  - D. retail employees
11. Estimate and project the distribution of Copley Place sales by origin, distinguishing between on-site and off-site generated sales, i.e.,

	<u>Sales</u>		
	<u>on-site</u> <u>generated</u>	<u>off-site</u> <u>generated</u>	<u>total</u>
Workplace			20%*
Residence			50%*
Hotel/tourist			10%*
Business visitor			10%*
Other shopping			10%*
Total	60%*	40%*	100%*

\* for explanation purposes only



12. Estimate the composition of off-site generated Copley Place sales by location of origin: Back Bay, Downtown Boston (excluding Back Bay), City of Boston (excluding Downtown), Metropolitan Boston within I-495 divided into North Shore, South Shore and Western Sector (excluding Boston), outside I-495 in New England, outside New England in U.S., outside U.S.
13. Analyze developer's retail leasing plan and assess the attractiveness of Copley development to Back Bay merchants including:
  - A. Projection of Back Bay retail rent levels in 1983 and 1985 and Copley Place rent levels.
  - B. Assessment of the independence of the markets for the project and for Back Bay stores including types of retail stores and restaurants given response to 11 and 12 and BRA Newbury/Boylston survey.
  - C. Assessment of the susceptibility of existing Back Bay stores being relocated into the project for any other reason and possible changing mix of Back Bay retail sales given the UIDC leasing plan.
14. Attend two Citizens Review Committee meetings.

15. Reports

Larry Smith & Company will be responsible for producing the final reports which will include illustrations, data and analysis underlying the conclusions. Ten copies of the final report are to be provided by a Xerographic process. All illustrations will be black and white.

The masters, suitable for reproduction, will be submitted along with the final report.



## TIMING AND COST

### Timing

In the light of the work in which the Rockville Office is involved at the present time and in view of the detailed analyses required in the request, the consultant will require for contractual purposes sixty days after the receipt of authorization for the completion of the work.

### Cost

In view of the relationship of some parts of the work and in the light of the discussions which have been carried on relative to the scope, the cost of the various components of research have been estimated separately. Because of the intricate detail required in some of the analysis, the majority of the work required will of necessity be performed by a senior consultant. The experience with the previous Copley Place Study and the data which are in the consultant's file also provide a necessary background for performing some of the analyses required.

Some of the elements of the research introduce relatively new ideas other than the change in the composition of the proposed project. An example is the analysis of the impact of the project on South End retail development.

The accompanying chart sets forth study components which it is felt make logical divisions of the work. The cost of each of the components has been estimated.

Some of the components are interrelated in such a way that it would be difficult to perform the work separately.

The cost of the study has been estimated on the basis of attempting to avoid duplication and make full use of the research materials which are available through BRA and its consultants as well as the Larry Smith and Company files.

The consultant requests a progress billing which will be based on progress reports at intervals of thirty days after authorization with payment scaled to the rate of progress. The balance of the fee will be due upon submission of the report.

The total fee and cost of the study on the basis of scope shown is not to exceed \$13,800. If more than two meetings are required, one day meetings will be billed at \$650 each.



STUDY COST

<u>Study Component</u>	<u>Cost</u>
I. Consult, Advise with Staff, etc., Review Plans	\$1,000
II. Project Sales for Copley Place	\$1,000
III. Evaluate Impact of Other Developments	\$ 500
IV. Project Sales for Back Bay	\$1,000
V. Analyze Impact on South End Retail Development	\$2,500
VI. Estimate and Project Daily Population	\$ 500
VII. Estimate and Project Sales by Origin	\$2,000
VIII. Estimate Composition of Off-site Sales by Origin, Back Bay, etc.	\$2,000
IX. Assess Attractiveness to Back Bay Merchants	\$1,000
X. Prepare Report Ten Copies - Black & White *	\$1,000
XI. Attend Two Meetings, including Expenses (Sr. Consultant)**	<u>\$1,300</u>
Total	\$13,800

\*Masters to be submitted for reproduction by BRA.

\*\*Additional one day meetings @ \$650 per meeting.

COPLEY PLACE: PROGRAM ALTERNATIVES  
(Subject to Minor Change)

	<u>Alternative A</u>	<u>Sub- Alternative B</u>	<u>Two Department Stores Dec., 1978 Program (EIR)</u>
<u>HOTEL #1</u> (Western International)	677,000 S.F. (712 Rooms)	677,000 S.F. (712 Rooms)	812,000 S.F. (868 Rooms)
<u>HOTEL #2</u>	689,000 S.F. (960 Rooms)	689,000 S.F. (960 Rooms)	-
<u>RETAIL</u>			
Dept. Stores (Rentable) (or Specialty)	104,000 S.F.		320,000 S.F.
Mall Shops (Rentable)	200,000 S.F.	150,000 S.F.	340,000 S.F.
Cinemas	20,000 S.F.	20,000 S.F.	12,600 S.F.
Health Club	30,000 S.F.	30,000 S.F.	-
Mall, Service, Support	120,000 S.F.	100,000 S.F.	390,000 S.F.
TOTAL RETAIL	470,000 S.F. (Gross Area)	200,000 S.F. (Gross Area)	1,062,600 S.F. (Gross Area)
<u>PARKING</u>	563,000 S.F. (1,200 Spaces)	563,000 S.F. (1,200 Spaces)	531,000 S.F. (1,400 Spaces)
<u>OFFICE</u> (Leasable)	640,000 S.F.	836,000 S.F.	612,000 S.F.
<u>HOUSING</u>	84,000 S.F.	84,000 S.F.	<u>84,000 S.F.</u>
TOTAL			3,102,200 S.F.

5/31/79



19 JULY 1979

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: CONTRACT AUTHORIZATION FOR LARRY SMITH AND COMPANY, LTD.

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This memorandum requests authorization to execute a contract with Larry Smith and Company, Ltd. to produce an updated retail impact analysis on the proposed Copley Place development project. An updated study is warranted by a change in program by the developer, Urban Investment Development Company.

The earlier study was accomplished by Larry Smith and Company, Ltd. This previous work provides them with important background knowledge for the proposed study. It is therefore considered that their services are singularly appropriate and recommended that they be retained. Additional and expanded issues related to the development will also be addressed in the study as have been identified by BRA staff and communicated to the consultant. The consultant's proposal is attached.

As this study also relates to the socio-economic section of the Environmental Impact Statement, it is anticipated that approximately 50% of the cost for the impact study could be reimbursable as environmental studies under administrative costs of an Urban Development Action Grant (UDAG).

The cost of the study is \$13,800 and the developer, UIDC, has agreed to pay for 50% (\$6,900) of the study. The remaining 50% (\$6,900) is to be paid for by the Boston Redevelopment Authority. Reimbursement for the BRA's share is anticipated from the UDAG.

The time frame for the study is 60 days following receipt of authorization from the Authority.

An appropriate Vote follows:

VOTED: That the Director be authorized to contract with Larry Smith and Company, Ltd. to carry out an updated retail impact analysis on the proposed Copley Place development project in the maximum amount of \$13,800 for a term to expire October 1, 1979. The Authority will be responsible for a maximum of \$6,900 which it anticipates to be reimbursed out of UDAG funds. The remaining \$6,900 will be borne by Urban Investment Development Company.



